

**Madison Parish Police Jury  
Tallulah, Louisiana**

**Basic Financial Statements**

***And Independent Auditor's Report***

**As of and for the Year Ended December 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAY 21 2014**

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Madison Parish Police Jury  
Basic Financial Statements  
And Independent Auditor's Report  
As of and for the Year Ended December 31, 2012

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Madison Parish Police Jury  
Basic Financial Statements  
And Independent Auditor's Report  
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**Independent Auditor's Report**

Police Jurors  
Madison Parish Police Jury  
Tallulah, Louisiana

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Police Jury as of and for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the Board's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### **Opinions**

The financial statements do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the Statement of Net Position and the Statement of Activities are understated by the amount of assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units. In addition to the aggregate remaining fund information is understated by the amount of assets, liabilities, fund balances, revenues, and expenditures of the omitted component units. The amounts by which this departure would affect the financial statements is not reasonably determinable.

In my opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Madison Parish Police Jury as of December 31, 2012, or the changes in financial position thereof for the year then ended.

In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, of the Madison Parish Police Jury, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

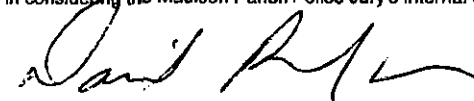
#### **Other Matters**

##### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-12 and 42-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

##### **Other Reporting Required by Government Auditing Standards**

In accordance with *Governmental Auditing Standards*, I have also issued my report dated August 27, 2013, on my consideration of the Madison Parish Police Jury's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Police Jury's internal control over financial reporting and compliance.



Tallulah, Louisiana  
August 27, 2013

**REQUIRED SUPPLEMENTAL INFORMATION**

**Management's Discussion  
and Analysis**

## **Madison Parish Police Jury**

### **Management's Discussion and Analysis (MD&A)**

**December 31, 2012**

This discussion and analysis of Madison Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2012.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

#### **Financial Highlights**

The MD&A provides insights into the results of this year's operations:

Total governmental activities revenues received for the year ended December 31, 2012, was \$8,086,297. This is a decrease of \$253,281, or a 3% change from the year ended December 31, 2011. This decrease is due mainly to a decrease in grants.

Governmental expenditures for 2012 were \$5,968,454. This is a decrease of \$120,982, or a 2% change from the year ended December 31, 2011.

For the year ended December 31, 2012, General Fund reported \$1,034,713 in revenues, an increase of \$12,280, or 1% from revenue received for the year ended December 31, 2011.

In 2012 the Police Jury reported \$968,394 in expenditures for the General Fund and \$912,455 in expenditures for 2011. This change represents a 6% increase from 2011 to 2012.

#### **Using This Annual Report**

The Police Jury's annual report consists of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a more long-term view of the Police Jury's finances. The fund financial statements are included later in this report. For governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insight into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - the General Fund, Library, Garbage Maintenance, Health Unit, Public Works, and Courthouse and Jail.

The following chart reflects the information included in this annual report.

**Required Supplemental Information**

**Management's Discussion & Analysis (MD & A)**

**Basic Financial Statements**

**Government-Wide  
Financial Statements**

**Fund  
Financial Statements**

**Notes to the Basis Financial Statements**

**Required Supplemental Information**

**Budgetary Information for Major Funds  
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**Supplemental Information**

**Nonmajor Governmental Funds - Combining Statements  
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**Schedule of Current-Year Findings  
Summary Schedule of Prior-Year Audit Findings**



Our auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the Independent Auditors' Report carefully to ascertain the level of assurance being provided for each part of this report.

### **Reporting the Police Jury as a Whole**

**The Statement of Net Assets and the Statement of Activities.** Our analysis of the Police Jury as a whole begins on page 7. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net position. The difference between assets and liabilities, as reported in the Statement of Net Position, is one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net position, as reported in the Statement of Activities, is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Position and Statement of Activities report the following activity for the Police Jury:

Governmental activities - All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, severance taxes, and state and federal grants finance most of these activities.

### **Reporting the Police Jury's Most Significant Funds**

**Fund Financial Statements.** The Police Jury's fund financial statements, which begin on page 17, provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds - All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciling statements D and F.

**The Police Jury as a Whole.** The Police Jury's net position was \$18,281,655, at December 31, 2012. Of this amount, \$482,707, was unrestricted. Restricted net position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use those net assets for day-to-day operations. Our analysis of the primary government focuses on the net position (Table 1) and changes in net position (Table 2) of the Police Jury's governmental activities.

**Table 1**  
**Net Position**  
**Years Ended December 31, 2011, and 2012**

	<b>Governmental Activities</b>	
	2011	2012
Current and other assets	\$ 10,565,540	\$ 12,615,112
Capital assets	6,351,583	6,274,113
<b>Total assets</b>	<b>16,917,123</b>	<b>18,889,225</b>
Current and other liabilities	202,680	194,735
Long-term liabilities	433,208	412,835
<b>Total liabilities</b>	<b>635,888</b>	<b>607,570</b>
Net position		
Invested in capital assets, net of debt	6,234,730	6,188,243
Restricted	9,571,347	11,610,705
Unrestricted	475,158	482,707
<b>Total net position</b>	<b>\$ 16,281,235</b>	<b>\$ 18,281,655</b>

Net position of the Police Jury's governmental activities for December 31, 2012, was \$18,281,655. Unrestricted net position, which is part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was \$482,707.

*The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2, on the next page, takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.*

**Table 2**  
**Changes in Net Position**  
**Year's Ended December 31, 2011, and 2012**

	<u>2011</u>	<u>2012</u>
<b>Revenues:</b>		
Program revenues		
Charges for services	\$ 1,196,429	\$ 1,160,382
Federal grants	167,639	168,733
State grants & entitlements	903,005	587,033
General Revenues		
Ad valorem taxes	4,879,309	5,137,210
State revenue sharing	78,434	78,318
Other general revenues	891,878	941,332
Total revenues	<u>8,116,694</u>	<u>8,073,008</u>
<b>Functions/Programs Expenses:</b>		
General government:		
Legislative	146,664	159,110
Judicial	848,485	893,963
Elections	57,490	32,607
Finance and administrative	361,691	334,449
Other general government	25,563	26,502
Public safety	946,389	845,899
Public works	3,069,796	3,167,641
Health and welfare	111,621	92,555
Culture and recreation	381,120	398,674
Economic development and assistance	44,722	50,143
Transportation	110,637	57,850
Miscellaneous	19,497	7,878
Interest on long-term debt	3,129	5,317
Total expenses	<u>6,126,804</u>	<u>6,072,588</u>
Increase in net position	<u>\$ 1,989,890</u>	<u>\$ 2,000,420</u>

**Governmental Activities.** As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$6,072,588. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was \$5,137,210, because some of the cost was paid by those who benefited from the programs or by other governments and organizations who subsidized certain programs with grants and contributions.

In the table below, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, public safety, public works, health and welfare, and culture and recreation, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**  
**Governmental Activities**  
**For the Years Ended December 31, 2011, and 2012**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	2011	2012	2011	2012
<b>Governmental Activities</b>				
Judicial	\$ 848,485	\$ 893,963	\$ (367,163)	\$ (429,041)
Finance and Administrative	361,691	334,449	(348,772)	(328,881)
Public Safety	946,389	845,899	(828,407)	(610,134)
Public Works	3,069,796	3,167,641	(1,516,682)	(2,107,404)
Health & Welfare	111,621	92,555	(99,430)	12,829
Culture and Recreation	381,120	398,674	(350,685)	(378,685)
All Others	407,702	339,407	(348,592)	(315,124)
Total Functions/Program Expenses	<u>\$ 6,126,804</u>	<u>\$ 6,072,588</u>	<u>\$ (3,859,731)</u>	<u>\$ (4,156,440)</u>

**The Police Jury's Funds.** As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$12,210,890 which is an increase of \$2,117,841 from last year. The primary reason for these increases are:

Our general fund is our principle operating fund. The fund balance in the general fund increased by \$66,318, to \$841,748 at December 31, 2012. The income increased slightly and expenses increased by almost \$56,000. The fund still had an operating profit of approximately \$66,000.

Our Library fund accounts for the public library. This fund showed an increase of \$230,190 to \$1,315,329. The increase was due mainly to the ad valorem tax receipts.

The Garbage Maintenance accounts for the parish garbage collection services. This fund showed an increase of \$277,203 to \$1,310,904. The increase is the result of a operating at a profit for the year.

The Health Unit fund accounts for the parish health center. This fund showed an increase of \$206,584 to \$1,592,180. The increase was the result of maintaining expenditures at a reduced level.

The Public Works fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$68,809, to \$1,780,021.

The Courthouse and Jail fund accounts for funds used to maintain the courthouse, courthouse annex, jail, and the feeding, maintenance and transporting of parish inmates. This fund showed an increase of \$1,109,424, to \$4,230,107. The ad valorem tax base was increased several years ago and expenditures have not increased.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Rural Development, Criminal Court, E-911, Memorial, Group Health Savings, Grant Fund, Road Improvement Escrow, Grant Fund, Mosquito Control, Witness Fees, FEMA Disaster, Emergency Shelter Donation, Recreation Board, OHSEP, and Building Fund). The combined funds showed an increase of \$296,931 to \$1,140,600.

**General Fund Budgetary Highlights.** Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report). The original budgets were adopted on December 27, 2011, and amended on December 27, 2012, in effort to accurately reflect actual revenue and expenditure amounts.

## CAPITAL ASSETS

### Capital Assets at Year Ended December 31, 2011, and 2012

	2011	2012
Land	\$ 188,750	\$ 188,750
Buildings and improvements	5,553,844	5,553,844
Equipment and furniture (including vehicles)	3,005,442	3,096,559
Books and periodicals	393,380	440,791
Quebec Road	3,771,405	3,771,405
Construction in progress - Health unit	-	98,884
Total capital assets	<u>12,912,821</u>	<u>13,150,233</u>
Accumulated depreciation	<u>6,561,239</u>	<u>6,876,120</u>
Net capital assets	<u><u>\$6,351,582</u></u>	<u><u>\$ 6,274,113</u></u>

**Debt.** At December 31, 2012, the Police Jury had a prior year liability of \$177,500, for claims and judgments.

**Contacting the Police Jury's Financial Management.** Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Ms. Margaret Dew, Secretary/Treasurer, Courthouse Building, Madison Parish Police Jury, 100 North Cedar Street, Tallulah, LA 71282, telephone number (318) 574-3451.

**BASIC FINANCIAL STATEMENTS**

**Government-wide  
Financial Statements**



MADISON PARISH POLICE JURY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012

Statement A

	<u>Primary Government Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 4,710,235
Investments	2,347,555
Receivables (net)	5,557,322
Capital assets, net	<u>6,274,113</u>
Total Assets	<u>18,889,225</u>
<b>Liabilities</b>	
Accounts, salaries and other payables	147,711
Long-term liabilities	
Due within one year	47,024
Due in more than one year	<u>412,835</u>
Total Liabilities	<u>607,570</u>
<b>Net Position</b>	
Invested in capital assets, net of related debt	6,188,243
Restricted for:	
Library	1,343,193
Garbage collection	1,333,962
Health unit	1,605,884
Drainage and roads	1,867,386
Courthouse and jail	4,303,785
Other special revenue funds	1,156,495
Unrestricted	<u>482,707</u>
Total Net Position	<u>\$ 18,281,655</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

MADISON PARISH POLICE JURY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Statement B

Functions/Programs	Primary Governmental Activities				Primary Governmental Activities
	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government: Governmental Activities:					
General government:					
Legislative	\$ 159,110	\$ -	\$ -	\$ -	\$ (159,110)
Judicial	893,963	464,922	-	-	(429,041)
Elections	32,607	-	-	-	(32,607)
Finance and administrative	334,449	-	5,568	-	(328,881)
Other general administrative	26,502	1,987	-	-	(24,515)
Public safety	845,899	65,632	104,133	66,000	(610,134)
Public works	3,167,641	627,474	356,056	76,707	(2,107,404)
Health and welfare	92,555	367	37,002	68,015	12,829
Culture and recreation	398,674	-	19,989	-	(378,685)
Economic development and assistance	50,143	-	-	-	(50,143)
Transportation	57,850	-	2,812	19,484	(35,554)
Miscellaneous	7,878	-	-	-	(7,878)
Interest on long-term debt	5,317	-	-	-	(5,317)
Total Governmental Activities	\$ 6,072,588	\$ 1,160,382	\$ 525,560	\$ 230,206	(4,156,440)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					5,137,210
Other taxes and penalties					125,808
State revenue sharing					78,318
Severance tax					39,678
Video Poker					300,291
Licenses and permits					211,628
Interest and investment earnings					37,416
Miscellaneous					226,511
Total general revenues					6,156,860
Changes in net position					2,000,420
Net position - beginning					16,281,235
Net position - ending					\$18,281,655

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

## **BASIC FINANCIAL STATEMENTS**

### **Fund Financial Statements**

**MADISON PARISH POLICE JURY  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
DECEMBER 31, 2012**

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 266,560	\$ 512,850	\$ 797,980	\$ 1,348,577	\$ 42,848	\$ 798,213	\$ 945,207	\$ 4,710,235
Investments	-	259,049	-	-	-	2,020,553	67,853	2,347,555
Receivables	428,428	549,430	516,607	270,012	1,755,505	1,425,987	354,862	5,300,811
Interfund receivables	158,048	-	-	-	19,342	-	-	177,390
<b>Total Assets</b>	<b>853,036</b>	<b>1,321,329</b>	<b>1,314,587</b>	<b>1,618,589</b>	<b>1,817,695</b>	<b>4,244,733</b>	<b>1,368,022</b>	<b>12,535,991</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts, salaries and other payables	11,288	5,999	3,683	24,409	37,674	14,626	50,032	147,711
Interfund payables	-	-	-	-	-	-	177,390	177,390
<b>Total Liabilities</b>	<b>11,288</b>	<b>5,999</b>	<b>3,683</b>	<b>24,409</b>	<b>37,674</b>	<b>14,626</b>	<b>227,422</b>	<b>325,101</b>
<b>Fund Balances:</b>								
Restricted	-	1,315,330	1,310,904	1,592,180	1,780,021	4,230,107	1,140,600	11,369,142
Unassigned	841,748	-	-	-	-	-	-	841,748
<b>Total Fund Balances</b>	<b>841,748</b>	<b>1,315,330</b>	<b>1,310,904</b>	<b>1,592,180</b>	<b>1,780,021</b>	<b>4,230,107</b>	<b>1,140,600</b>	<b>12,210,890</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 853,036</b>	<b>\$ 1,321,329</b>	<b>\$ 1,314,587</b>	<b>\$ 1,618,589</b>	<b>\$ 1,817,695</b>	<b>\$ 4,244,733</b>	<b>\$ 1,368,022</b>	<b>\$ 12,535,991</b>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

MADISON PARISH POLICE JURY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2012

Total fund balances - governmental funds \$ 12,210,890

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	13,150,233	
Depreciation expense to date	<u>6,876,120</u>	
		6,274,113

Receivables collected more than 60 days after the close of the accounting period are not recorded on the fund financial statements, but they are included on the Statement of Net Position. 256,511

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Balances at December 31, 2012 are:

Long-term liabilities		
Judgment payable	177,500	
OPEB obligation	196,487	
Capital leases payable	<u>85,872</u>	
		<u>(459,859)</u>

Net Position \$ 18,281,655

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

**MADISON PARISH POLICE JURY  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES/DEFICITS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
<b>Revenues</b>								
Local sources:								
Taxes:								
Ad valorem	\$ 333,776	\$ 559,129	\$ 462,673	\$ 274,745	\$ 1,753,047	\$ 1,451,468	\$ 315,679	\$ 5,150,517
Other taxes and penalties	8,412	-	-	-	257	-	119,140	125,809
Licenses and permits	203,754	-	-	-	340	-	7,534	211,628
Intergovernmental revenues:								
Federal funds - federal grants	5,568	7,645	12,808	3,730	24,254	13,701	260,572	328,278
State funds:								
Parish transportation funds	-	-	-	-	188,164	-	-	188,164
State revenue sharing (net)	10,351	8,303	5,995	4,698	48,971	-	58,086	134,384
Severance taxes	39,678	-	-	-	-	-	-	39,678
Other state grants	301,338	12,344	-	-	-	-	169,866	483,548
Fees, charges, and commissions for services	1,988	-	625,190	-	2,284	-	65,632	695,094
Fines and forfeitures	-	367	-	-	-	-	464,922	465,289
Use of money and property	953	2,512	1,615	2,889	1,180	22,508	5,759	37,414
Other revenues	130,895	4,112	-	262	1,869	7,445	81,911	226,494
<b>Total Revenues</b>	<b>1,034,713</b>	<b>594,412</b>	<b>1,108,281</b>	<b>288,324</b>	<b>2,020,366</b>	<b>1,495,120</b>	<b>1,547,081</b>	<b>8,086,297</b>
<b>Expenditures</b>								
Current:								
General government:								
Legislative	159,110	-	-	-	-	-	-	159,110
Judicial	366,193	-	-	-	-	-	519,131	885,324
Elections	32,135	-	-	-	45	-	-	32,180
Finance and administrative	117,274	-	-	-	90,863	59,935	8,749	276,821
Other general government	400	-	-	-	-	-	-	400
Public safety	135,938	-	-	-	-	321,176	269,539	726,653
Public works	220	-	631,077	-	1,998,868	-	233,681	3,063,844
Health and welfare	19,290	-	-	48,870	-	-	14,320	82,480
Culture and recreation	24,814	308,499	-	-	-	-	13,708	347,021
Economic development and assistance	50,143	-	-	-	-	-	-	50,143
Transportation	55,039	-	-	-	-	-	2,812	57,851
Miscellaneous	7,838	-	-	-	-	-	40	7,878
Debt service:								
Interest	-	-	-	-	5,317	-	-	5,317
Principal payments	-	-	-	-	30,980	-	-	30,980
Capital outlay	-	55,723	-	30,870	68,749	19,095	68,015	242,452
<b>Total Expenditures</b>	<b>988,394</b>	<b>364,222</b>	<b>831,077</b>	<b>79,740</b>	<b>2,194,820</b>	<b>400,206</b>	<b>1,129,995</b>	<b>5,968,454</b>
<b>Excess of Revenues Over Expenditures</b>	<b>66,319</b>	<b>230,190</b>	<b>277,204</b>	<b>208,584</b>	<b>(174,454)</b>	<b>1,094,914</b>	<b>417,086</b>	<b>2,117,843</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	-	-	-	105,645	14,510	39,776	159,931
Transfers out	-	-	-	-	-	-	(159,931)	(159,931)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,645</b>	<b>14,510</b>	<b>(120,155)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>66,319</b>	<b>230,190</b>	<b>277,204</b>	<b>208,584</b>	<b>(68,809)</b>	<b>1,109,424</b>	<b>296,931</b>	<b>2,117,843</b>
<b>Fund Balances - beginning</b>	<b>775,429</b>	<b>1,085,139</b>	<b>1,033,701</b>	<b>1,385,598</b>	<b>1,848,830</b>	<b>3,120,683</b>	<b>843,669</b>	<b>10,093,047</b>
<b>Fund Balances - ending</b>	<b>\$ 841,748</b>	<b>\$ 1,315,329</b>	<b>\$ 1,310,905</b>	<b>\$ 1,592,180</b>	<b>\$ 1,780,021</b>	<b>\$ 4,230,107</b>	<b>\$ 1,140,600</b>	<b>\$ 12,210,890</b>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

MADISON PARISH POLICE JURY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES/DEFICITS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2012

Total net change in fund balances - governmental funds \$ 2,117,843

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Capital outlays are reported in governmental funds as expenditures. However,  
in the Statement of Activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by which  
depreciation expense exceeds capital outlay in the period:

Capital outlay	242,452	
Depreciation expense	<u>(319,920)</u>	(77,468)

Repayment of bond principle and capital leases is an expenditure in the  
governmental funds, but the repayment reduces long-term liabilities in  
the Statement of Net Position: 30,980

Governmental funds do not report funds received more than 60 days after the  
end of the year as revenues in the current year, but the Statement of  
Activities reports all receivables regardless of when collected. This is the net  
change resulting from recording all receivables on the Statement of Activities. (13,306)

The Statement of Activities recorded unfunded cost of post employment  
medical insurance cost (OPEB) in the current year, but will not be recorded  
in Governmental funds until actually paid. (57,629)

Change in net position of governmental activities \$ 2,000,420

## NOTES TO THE FINANCIAL STATEMENTS



**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 1 - Summary of Significant Accounting Policies**

The Madison Parish Police Jury (the Police Jury) is the governing authority for Madison Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2015.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to replace and maintain drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

*In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protections, library facilities, and health care facilities.*

**A. Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**A. Reporting Entity (cont.)**

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year Ended</u>	<u>Criteria Used</u>
Madison Parish Hospital		
Service District	December 31	1 and 3
Madison Parish Port Commission	December 31	1 and 3
Madison Parish Recreation District	December 31	1 and 3
Afton Fire Protection	December 31	1 and 3
Mound Fire Protection	December 31	1 and 3
Bear Lake Fire Protection Dist. No. 1	December 31	1 and 3
Madison Parish Tax Assessor	December 31	2 and 3
Madison Parish Clerk of Court	June 30	2 and 3
Madison Parish Sheriff	June 30	2 and 3
Madison Parish Tourism Commission	December 31	1 and 3

The component units listed above are not included in the basic financial statements.

Considered in the determination of component units of the reporting entity were the Madison Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Madison Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Madison Parish Police Jury.

**B. Funds**

The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:

Governmental Funds

**General Fund** - The general fund is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

**Library Fund** - This fund accounts for the activities performed for the public library.

**Garbage Maintenance** - This fund accounts for the parish garbage collection services.

**Health Unit** - This fund accounts for funds for the parish health center.

**Public Works** - This fund accounts for funds used to maintain the parish roads and streets.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**B. Funds (cont.)**

Governmental Funds (cont.)

**Courthouse and Jail** - This fund accounts for operation and maintenance of the courthouse and jail.

**Other Governmental** - This fund is comprised of all non-major funds which include Rural Development, Criminal Court, E-911, Memorial, Group Health Savings, Road Improvement Escrow, Grant fund, Mosquito Control, Witness Fees, FEMA Disaster, Emergency Shelter Donations, Recreation Board, OHSEP, and Building Fund.

**C. Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No.33 *Accounting and Financial Reporting for Nonexchange Transactions*. Fiduciary funds are not included in the government-wide financial statements.

**Program revenues** - Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

**Allocation of indirect expenses** - The Police Jury reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements (FFS)**

**Governmental Funds** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principle and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**C. Measurement Focus and Basis of Accounting (cont.)**

**Fund Financial Statements (FFS) (cont.)**

**Governmental Funds (cont.)**

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** - Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales tax are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized when they become available to the Police Jury. Based on the above criteria, ad valorem taxes, federal and state grants, and fines and forfeitures, and court costs have been treated as susceptible to accrual.

**Expenditures** - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principle and interest on general long-term obligations, which are recognized when due.

**Other Financing Sources (Uses)** - Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**D. Budgets**

Preliminary budgets for the ensuing year are prepared by the secretary treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoptions is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at the year end and must be re-appropriated in the next year's budget to be expended.

**E. Encumbrances**

Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is recognized within the accounting records for budgetary control purposes.

**F. Cash and Cash Equivalents**

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposits accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana.

**G. Investments**

Investments are limited to R.S. 33:2955 and the Police Jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The Police Jury invests in authorized U.S. government securities. Investments are carried at fair market value based on quoted market prices. The Police Jury's intent is to hold all investments to maturity.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**H. Short-term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

**I. Elimination and Reclassifications**

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. *Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.*

**J. Capital Assets**

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). The Police Jury has a capitalization threshold of \$2,000. Donated capital assets are recorded at their estimated fair value at the date of donation. General assets are capitalized and valued at historical cost or estimated historical cost. Interest during construction was not capitalized on capital assets prior to January 1, 1999. Estimated useful life is management's estimate of how the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. *Straight line depreciation is used based on the following estimated useful lives:*

Buildings and improvements	20-40 years
Equipment and furniture (including vehicles)	5-15 years
Books, periodicals and law books	10 years

**K. Fund Equity**

Beginning with fiscal year 2011, the Police Jury implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

**Nonspendable Fund Balance** - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

**Restricted Fund Balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

**Committed Fund Balance** - amounts constrained to specific purposes by the Police Jury itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Police Jury takes the same highest level action to remove or change the constraint.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**K. Fund Equity (cont.)**

Assigned Fund Balance - amounts the Police Jury intends to use for a specific purpose. Intent is expressed by the Police Jury.

Unassigned Fund Balance - amounts that are available for any purpose. These amounts are reported only in the general fund.

Beginning fund balances for the Police Jury's governmental funds have been restated to reflect the above classifications.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Police Jury considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Police Jury considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Police Jury has provided otherwise in his commitment or assignment actions.

**L. Compensated Absences**

Employees of the Police Jury receive 10 to 20 days of annual leave each year, depending on the length of service. A maximum of 5 days annual leave may be carried forward to the next year. Upon voluntary resignation or retirement, employees are compensated for annual leave accumulated to the date of separation. Sick leave is credited to a permanent full-time employee at the rate of 1 day for each month of continuous employment. Sick leave may accumulate to a maximum of 90 days. Upon retirement, all unused accumulated sick leave is used in retirement benefit computations as earned service.

**M. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 1 - Summary of Significant Accounting Policies (cont.)**

**N. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**O. Restricted Net Assets**

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. Restricted net assets reported by the Police Jury are restricted by enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**Note 2 - Cash and Cash Equivalents**

At December 31, 2012, the Police Jury had cash and cash equivalents totaling \$5,028,036 as follows:

Demand deposits	\$ 2,000
Interest bearing demand deposits	4,708,096
Petty cash	139
Total	<u>\$ 4,710,235</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon demand.

As of December 31, 2012, the book balance of the Police Jury's deposit was \$4,710,235, and the bank balance was \$5,027,897. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$4,277,897 by pledged securities.



MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 3 - Stewardship, Compliance, and Accountability**

**A. Deficit Fund Balances**

The following funds have a deficit in the fund balance at December 31, 2012:

<u>Fund</u>	<u>Amount of Deficit</u>
Criminal Court	\$ 119,501
Grant Fund	2,923

**Unfavorable Budget Variances:**

**Revenues:**

None

**Expenditures:**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variances</u>
General fund	\$ 966,228	\$ 968,394	\$ (2,166)
Library	359,754	364,222	(4,468)
Health unit	56,214	79,740	(23,526)
Public works	2,184,321	2,194,820	(10,499)
Courthouse and jail	399,125	400,206	(1,081)

**Note 4 - Levied Taxes**

The Police Jury levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Madison Parish Sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Levy date	No later than November 15th
Tax bills mailed	October-November
Due date	December 31st
Lien date	Date of filing in Clerk of Court's office
Tax sale - 2012 delinquent property	April, 2013

Assessed values are established by the Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 4 - Levied Taxes (cont.)**

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value was \$119,727,437, in calendar year 2012. Louisiana state law exempts the first \$7,500, of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$10,183,217, of the assessed value in calendar year 2012.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund, library, garbage maintenance, health unit, E-911, public works, and courthouse and jail funds. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2012 property taxes to be collected occurs in December of the current year and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 4 - Levied Taxes (cont.)**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2012:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General Fund/In	1.73	1.63	Indefinite
General Fund/Out	3.46	3.27	Indefinite
Health Unit	1.18	1.12	2022
Library	3.56	3.37	2022
Garbage Collection	9.02	8.72	2018
Drainage and Roads	17.08	16.52	2018
Courthouse and Jail	2.71	2.57	2022
Library 2002	1.94	1.90	2022
Health Unit 2002	1.50	1.47	2022
Courthouse and Jail 2007	7.00	6.76	2016
E 911	3.00	2.90	2016

The difference between authorized and levied millages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

**Note 5 - Deposits and Investments**

At December 31, 2012, the Police Jury had the following investments:

<u>Investment type</u>	<u>Maturities</u>	<u>Fair Value</u>
Government securities	Less than 1 year	\$ 2,279,602
Bank certificate of deposit		67,953
Total		<u>\$ 2,347,555</u>

**Interest Rate Risk:** The Police Jury's policy does not address interest rate risk.

**Credit Risk:** The Police Jury invests in certificate of deposit and U.S. Treasury securities which do not have credit ratings.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 6 - Receivables**

The following is a summary of receivables at December 31, 2012:

	<u>General</u>	<u>Library</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>	<u>Other Governmental</u>	<u>Total Governmental Fund</u>	<u>Government Wide</u>
Taxes:									
Ad valorem	\$328,013	\$549,430	\$ 454,551	\$270,012	\$ 1,722,266	\$1,425,967	\$ 301,782	\$5,052,021	\$ 5,308,532
Other taxes	29,649	-	-	-	-	-	-	29,649	29,649
Taxes	65,403	-	-	-	-	-	-	65,403	65,403
Other	5,363	-	62,056	-	33,239	-	53,080	153,738	153,738
Total	<u>\$428,428</u>	<u>\$549,430</u>	<u>\$ 516,607</u>	<u>\$270,012</u>	<u>\$ 1,755,505</u>	<u>\$1,425,967</u>	<u>\$ 354,862</u>	<u>\$5,300,811</u>	<u>\$ 5,557,322</u>

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

**Note 7 - Interfund Assets/Liabilities (FFS Level Only)**

Due from/to other funds:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	\$ 158,048	Other Governmental	\$ 177,390
Public Works	19,342		
Total	<u>\$ 177,390</u>	Total	<u>\$ 177,390</u>

The interfund balances are loans between funds to cover operating expenses.

**MADISON PARISH POLICE JURY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 8 - Capital Assets**

The following schedule presents changes in capital assets for the Police Jury:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Not subject to depreciation:				
Land	\$ 188,750	\$ -	\$ -	\$ 188,750
Quebec Road	3,771,405	-	-	3,771,405
Construction in progress - Health unit	-	98,884	-	98,884
Subject to depreciation:				
Buildings and improvements	5,553,844	-	-	5,553,844
Furniture and equipment	3,005,442	91,117	-	3,096,559
Books and periodicals	393,380	52,450	5,039	440,791
Total	<u>12,912,821</u>	<u>242,451</u>	<u>5,039</u>	<u>13,150,233</u>
Less accumulated depreciation				
Buildings and improvements	4,255,728	77,176	-	4,332,904
Furniture and equipment	2,010,800	198,665	-	2,209,465
Books and periodicals	294,711	44,079	5,039	333,751
Total	<u>6,561,239</u>	<u>319,920</u>	<u>5,039</u>	<u>6,876,120</u>
Governmental activities capital assets, net	<u>\$ 6,351,582</u>	<u>\$ (77,469)</u>	<u>\$ -</u>	<u>\$6,274,113</u>

Current year depreciation expense was charged to governmental activities for the Police Jury as follows:

Judicial	\$ 8,638
Elections	427
Other general government	26,102
Public safety	119,246
Public works	103,779
Health and welfare	10,075
Culture and recreation	51,653
Total	<u>\$ 319,920</u>

**Note 9 - Retirement Systems**

Substantially all employees of the Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury of Madison Parish (component unit) are members of Plan A.

**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 9 - Retirement Systems (cont.)**

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least ten years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. *The System also provides death and disability benefits.* Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.25 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 2012, 2011, and 2010, were \$101,243, \$85,554, and \$157,935, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**Note 10 - Postemployment Benefits other than Pensions**

**Plan Description.** The Madison Parish Police Jury contributes to a single-employer defined benefit healthcare plan. The plan provides healthcare insurance for eligible retirees and their spouses for life through the Police Jury's group health insurance plan, which covers both active and retired members. To receive benefits employees must meet the requirements of the Parochial Employees Retirement System, which requires that an employee have 10 years of service at age 60 or 25 years at age 55 or 30 years of service at any age. Benefit provisions are established by the Madison Parish Police Jury. The Retiree Health Plan does not issue a publicly available financial report.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 10 - Postemployment Benefits other than Pensions (cont.)**

Effective with the year ending December 31, 2009, the Madison Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

**Funding Policy.** The Madison Parish Police Jury contributes 50% of the cost of current year health care premiums for eligible retired employees and their spouses. For the year ended December 31, 2012, the Madison Parish Police Jury contributed \$25,002, to the plan.

**Annual OPEB Cost and Net OPEB Obligation.** The Police Jury's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Madison Parish Police Jury has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Police Jury's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the Police Jury's net OPEB obligation to the retiree health plan.

Annual required contribution	\$ 85,107
Interest on net OPEB obligation	5,554
Adjustment to annual required contribution	<u>(8,030)</u>
Annual OPEB cost (expense)	82,631
Less contributions made	<u>25,002</u>
Increase in net OPEB obligation	57,629
Net OPEB obligation at beginning of year	138,855
Net OPEB obligation at end of year	<u><u>\$ 196,484</u></u>

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2012 was \$82,631, 30%, and \$57,629 respectively.

**Funded Status and Funding Progress.** As of December 31, 2012, the actuarial accrued liability for benefits was \$781,850, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$844,628, and ratio of the unfunded actuarial accrued liability to the covered payroll was 92.57%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 10 - Postemployment Benefits other than Pensions (cont.)**

employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The exhibit of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or when they are eligible to receive benefits, whichever occurs later.

*Marital status* - Marital status of members at the calculation date were assumed to continue throughout retirement.

*Mortality* - Life expectations were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life Tables for Males and for Females, revised March, 2007, were used.

*Turnover* - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.5% initially, increased to an ultimate rate of 6.1% after ten years, was used.

*Health insurance premiums* - 2008 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Inflation rate* - A long-term inflation assumption of 3.9% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to equal the rate of inflation.



**MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012**

**Note 10 - Postemployment Benefits other than Pensions (cont.)**

Based on the historical and expected returns of the Police Jury's short-term investments, a discount rate of 2.00% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, is thirty years.

**Note 11- Accounts, Salaries and Other Payables**

At December 31, 2012, the Police Jury had the following payables:

	General Fund	Library Fund	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
Vendors	\$ 11,288	\$ 5,999	\$ 3,683	\$ 24,409	\$ 37,674	\$ 14,626	\$ 50,032	\$ 147,711
Payroll	-	-	-	-	-	-	-	-
Total	<u>\$ 11,288</u>	<u>\$ 5,999</u>	<u>\$ 3,683</u>	<u>\$ 24,409</u>	<u>\$ 37,674</u>	<u>\$ 14,626</u>	<u>\$ 50,032</u>	<u>\$ 147,711</u>

**Note 12 - Compensated Absences**

At December 31, 2012, no accrual has been made for accumulated and vested employee leave benefits as this amount is deemed immaterial.

**Note 13 - Long-Term Liabilities**

The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2012.

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One year
Governmental Activities:					
Capital leases					
BancorpSouth Equipment Finance	\$ 78,521	\$ -	\$ 19,500	\$ 59,021	\$ 20,178
Scott Financial Service	38,332	-	11,486	26,846	26,846
Claims and judgments payable	177,500	-	-	177,500	-
OPEB obligation	138,855	57,637	-	196,492	-
Governmental Activities:					
Long-term liabilities:	<u>\$ 433,208</u>	<u>\$ 57,637</u>	<u>\$ 30,986</u>	<u>\$ 459,859</u>	<u>\$ 47,024</u>

The capital leases consisted of the following:

Capital lease with Scott Financial Service, LLC. to purchase equipment; 36 monthly payments of \$1,200 and a final payment of \$27,217; secured by equipment with a book balance of \$30,041.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 13 - Long-Term Liabilities (cont.)**

Capital lease with BancorpSouth Bank to purchase equipment; 48 monthly payments of \$1,825; secured by equipment with a book value of \$57,194.

Future payment requirements are as follows:

	Principal	Interest
2013	\$ 47,024	\$ 2,090
2014	20,885	1,012
2015	17,963	285
2016	-	-
2017	-	-
Thereafter	373,987	-
	<u>\$ 459,859</u>	<u>\$ 3,387</u>

**Note 14 - Interfund Transfers**

Operating transfers for the year ended December 31, 2012, were as follows:

Fund	Transfers In	Transfers Out
Public Works	\$ 105,645	\$ -
Courthouse and Jail	14,510	-
Other Governmental	39,776	159,931
Total	<u>\$ 159,931</u>	<u>\$ 159,931</u>

The purpose of the interfund transfers was to assist in covering operating expenses.

**Note 15 - Criminal Court Fund**

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the parish General Fund. However, for the year ended December 31, 2012, the Criminal Fund does not have a year-end balance for transfer to the parish General Fund. A balance of \$158,048 is due to the General Fund at December 31, 2012, for prior and current year transfers and loans.

**Note 16 - Litigation and Claims**

At December 31, 2012, the Police Jury is involved in litigation or is aware of claims totaling \$177,500, that are not covered by insurance. Of this amount, \$177,500, has been recorded as a liability in the government-wide financial statements.

Grant Disallowances The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

**Note 17 - Risk Management**

The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

MADISON PARISH POLICE JURY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

**Note 18 - LEASES**

During the year ended December 31, 2012, the Parish had five ongoing operating leases necessary for the maintenance of the Parish road system. These leases have monthly payments ranging from of \$1,945 to \$3,273. The lease terms are typically 36 to 60 months. Each unit may be purchased for the fair market value of the unit at the end of the lease term. The future minimum lease payments are as follows:

<u>Year Ended December 31st</u>	<u>Future minimum lease payments</u>
2013	\$ 131,665
2014	114,984
2015	75,895
2016	35,618
2017	4,624
Total	<u>\$ 362,786</u>

For the year ended December 31, 2012, rental expenditures for equipment totaled \$141,555.

**Note 19 - DEFICIT FUND BALANCE**

The Criminal Court Fund is the only nonmajor special revenue fund with a significant deficit fund balance. If the deficit cannot be eliminated through future operations, the general fund will appropriate resources necessary to alleviate the deficit.

**Note 20 - NEW ACCOUNTING PRONOUNCEMENTS**

GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, implemented this year provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The Statement of Net Assets is renamed the Statement of Net Position and included four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Police Jury has determined that they have no deferred outflows or inflows as defined by this standard.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**MADISON PARISH POLICE JURY**

**Budgetary Comparison Schedules**

**General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets**

**General Fund**

The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

**Library**

The library fund accounts for the operations of the parish library. Financing is provided by a specific parish-wide ad valorem tax.

**Garbage Maintenance**

The garbage maintenance fund accounts for the operations of the parish-wide garbage collection process. Financing is provided by a specific parish-wide ad valorem tax and user fees.

**Health Unit**

The health unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parish-wide ad valorem tax.

**Public Works**

The public works fund accounts for the maintenance of the parish highways, streets, and bridges. Financing is provided by a specific parish-wide ad valorem tax.

**Courthouse and Jail**

The courthouse and jail fund accounts for the maintenance and operation of the courthouse and jail. Financing is provided by a specific parish-wide ad valorem tax.

MADISON PARISH POLICE JURY  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	
Budgetary Fund Balances - beginning	\$ 775,429	\$ 775,429	\$ 775,429	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	324,760	332,092	333,776	1,684
Other taxes, penalties and interest	290,000	414,710	6,412	(408,298)
Licenses and permits	90,700	103,059	203,754	100,695
Intergovernmental revenues:				
Federal funds	4,800	6,196	5,568	(628)
State funds:				
State revenue sharing (net)	54,600	59,000	10,351	(48,649)
Severance taxes	-	-	39,678	39,678
Other	-	-	301,338	301,338
Fees, charges, and commissions for services	65,000	75,000	1,987	(73,013)
Fines and forfeitures	-	-	-	-
Use of money and property	90	2,368	953	(1,415)
Other revenues	133,020	16,850	130,895	114,045
Amounts available for appropriations	1,738,399	1,784,704	1,810,141	25,437
Charges to appropriations (outflows)				
General government:				
Legislative	100,800	132,759	159,110	(26,351)
Judicial	253,410	340,533	366,193	(25,660)
Elections	37,937	34,460	32,135	2,325
Finance and administration	232,615	112,601	117,274	(4,873)
Other general government	98,724	84,570	400	84,170
Public safety	120,366	94,241	135,938	(41,697)
Public works	-	1,180	220	960
Health and welfare	9,000	29,017	19,290	9,727
Culture and recreation	13,200	12,928	24,814	(11,886)
Economic development and assistance	55,421	69,679	50,143	19,536
Transportation	46,500	54,260	55,039	(779)
Miscellaneous	-	-	7,838	(7,838)
Total charges to appropriations	967,973	966,228	968,394	(2,166)
Budgetary Fund Balances - ending	770,426	818,476	841,747	23,271
Interfund transfer	-	-	-	-
GAAP Fund Balance - ending	\$ 770,426	\$ 818,476	\$ 841,747	\$ 23,271

**MADISON PARISH POLICE JURY  
LIBRARY  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Budgetary Fund Balances - beginning	\$ 1,085,139	\$ 1,085,139	\$ 1,085,139	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	539,450	550,620	559,129	8,509
Licenses & permits	-	166	-	(166)
Intergovernmental revenues:				
Federal funds	7,000	7,645	7,645	-
State funds:				
State revenue sharing (net)	22,000	20,647	8,303	(12,344)
Other	-	-	12,344	12,344
Fees, charges, and commissions for services	1,700	4,000	-	(4,000)
Fines and forfeitures	1,593	180	367	187
Use of money and property	203	650	2,512	1,862
Other revenues	1,560	-	4,112	4,112
Amounts available for appropriations	<u>1,658,645</u>	<u>1,669,047</u>	<u>1,679,551</u>	<u>10,504</u>
Charges to appropriations (outflows)				
General government:				
Elections	-	-	-	-
Finance and administration	165,087	-	-	-
Other general government	-	-	-	-
Culture and recreation	397,380	357,271	308,499	48,772
Economic development	-	2,483	-	2,483
Capital outlay	-	-	55,723	(55,723)
Total charges to appropriations	<u>562,467</u>	<u>359,754</u>	<u>364,222</u>	<u>(4,468)</u>
Budgetary Fund Balances - ending	<u>\$ 1,096,178</u>	<u>\$ 1,309,293</u>	<u>\$ 1,315,329</u>	<u>\$ 6,036</u>

MADISON PARISH POLICE JURY  
GARBAGE MAINTENANCE  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	
Budgetary Fund Balances - beginning	\$1,033,701	\$ 1,033,701	\$ 1,033,701	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	448,880	461,141	462,673	1,532
Intergovernmental revenues:				
Federal funds	11,500	14,821	12,808	(2,013)
State funds:				
State revenue sharing (net)	5,900	4,000	5,995	1,995
Fees, charges, and commissions	680,650	610,000	625,190	15,190
Use of money and property	550	1,469	1,615	146
Amounts available for appropriations	2,181,181	2,125,132	2,141,982	16,850
Charges to appropriations (outflows)				
General government:				
Finance and administration	2,531	2,531	-	2,531
Public works	828,805	837,234	831,077	6,157
Total charges to appropriations	831,336	839,765	831,077	8,688
Budgetary Fund Balance - ending	\$1,349,845	\$ 1,285,367	\$ 1,310,905	\$ 25,538



MADISON PARISH POLICE JURY  
HEALTH UNIT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Basis	
Budgetary Fund Balances - beginning	\$ 1,385,596	\$ 1,385,596	\$ 1,385,596	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	267,220	268,604	274,745	6,141
Intergovernmental revenues:				
Federal funds	3,500	3,730	3,730	-
State funds:				
State revenue sharing (net)	4,500	4,698	4,698	-
Fees, charges, and commissions	-	174	-	(174)
Use of money and property	400	2,623	2,889	266
Other revenues	-	-	262	262
Amounts available for appropriations	<u>1,661,216</u>	<u>1,665,425</u>	<u>1,671,920</u>	<u>6,495</u>
Charges to appropriations (outflows)				
General government:				
Legislative	-	52	-	52
Finance and administration	13,000	-	-	-
Capital Outlay	-	-	30,870	(30,870)
Health and welfare	<u>809,113</u>	<u>56,162</u>	<u>48,870</u>	<u>7,292</u>
Total charges to appropriations	<u>822,113</u>	<u>56,214</u>	<u>79,740</u>	<u>(23,526)</u>
Budgetary Fund Balance - ending	<u>\$ 839,103</u>	<u>\$ 1,609,211</u>	<u>\$ 1,592,180</u>	<u>\$ (17,031)</u>

MADISON PARISH POLICE JURY  
PUBLIC WORKS  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	
Budgetary Fund Balances - beginning	\$ 1,848,830	\$ 1,848,830	\$ 1,848,830	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,711,420	1,746,886	1,753,047	6,161
Other taxes and penalties	-	-	257	257
Licenses and permits	-	300	340	40
Intergovernmental revenues:				
Federal funds	22,000	24,254	24,254	-
State funds:				
State revenue sharing (net)	272,000	220,000	48,971	(171,029)
Parish transportation funds	-	-	188,164	188,164
Fees, charges and commissions	1,750	2,200	2,284	84
Use of money and property	450	1,163	1,180	17
Other revenues	-	4,302	1,869	(2,433)
Amounts available for appropriations	3,856,450	3,847,935	3,869,196	21,261
Charges to appropriations (outflows)				
General government:				
Judicial	-	954	-	954
Elections	-	45	45	-
Finance and administration	1,150,738	-	90,863	(90,863)
Other general finance	-	132,305	-	132,305
Public works	856,882	2,051,017	1,998,866	52,151
Debt service	-	-	36,297	(36,297)
Capital outlay	-	-	68,749	(68,749)
Total charges to appropriations	2,007,620	2,184,321	2,194,820	(10,499)
Budgetary Fund Balance - ending	1,848,830	1,663,614	1,674,376	10,762
Interfund transfer	-	105,645	105,645	-
GAAP Fund Balance - ending	\$ 1,848,830	\$ 1,769,259	\$ 1,780,021	\$ 10,762

MADISON PARISH POLICE JURY  
COURTHOUSE AND JAIL  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary Fund Balances - beginning	\$ 3,120,683	\$ 3,120,683	\$ 3,120,683	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,418,680	1,447,694	1,451,468	3,774
Intergovernmental revenues:				
Federal funds	12,500	13,701	13,701	-
Use of money and property	650	1,900	22,506	20,606
Other revenues	-	7,093	7,445	352
Amounts available for appropriations	4,552,513	4,591,071	4,615,803	24,732
Charges to appropriations (outflows)				
General government:				
Judicial	-	2,399	-	2,399
Finance and administration	51,505	24,198	59,935	(35,737)
Other general governmental	-	132,000	-	132,000
Public safety	-	240,000	321,176	(81,176)
Public works	417,610	528	-	528
Capital Outlay	-	-	19,095	(19,095)
Total charges to appropriations	469,115	399,125	400,206	(1,081)
Budgetary Fund Balance - ending	4,083,398	4,191,946	4,215,597	23,651
Interfund transfer	-	14,510	14,510	-
GAAP Fund Balance- ending	<u>\$ 4,083,398</u>	<u>\$ 4,206,456</u>	<u>\$ 4,230,107</u>	<u>\$ 23,651</u>

MADISON PARISH POLICE JURY  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2012

**A. BUDGETS**

**General Budget Policies.** Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31, of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

*The Police Jury exercises budgetary control at the functional level. Within functions the secretary treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.*

For the year ended December 31, 2012, budgets were adopted for the general fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

Formal budgetary integration is employed as a management control device during the year.

**Encumbrances.** Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

**Budget Basis of Accounting.** Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget: that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when budgeted revenues within a fund are expected to exceed actual revenue by five percent or more and when actual expenditures exceed budgeted expenditures by five percent or more.

MADISON PARISH POLICE JURY  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2012

**B. EXCESS OF BUDGETED REVENUES OVER ACTUAL REVENUES IN INDIVIDUAL FUNDS**

The following funds had budgeted revenues greater than actual revenues for the year ended December 31, 2012.

None

**C. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES IN INDIVIDUAL FUNDS**

The following funds had actual expenditures greater than budgeted expenditures for the year ended December 31, 2012:

Fund	Budget	Actual	Unfavorable Variance
General fund	\$ 966,228	\$ 968,394	\$ (2,166)
Library	359,754	364,222	(4,468)
Health unit	56,214	79,740	(23,526)
Public works	2,184,321	2,194,820	(10,499)
Courthouse and jail	399,125	400,206	(1,081)

MADISON PARISH POLICE JURY  
TALLULAH, LOUISIANA  
SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE HEALTH CARE PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Actual Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UALL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UALL as a Percentage of Covered Payroll</u>
12/31/2008	-	1,247,622	1,247,622	-	334,155	373.37%
12/31/2011	-	781,850	781,850	-	844,628	92.57%

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended December 31, 2009, only two valuations are available. Additional information will be added after the next valuation. Subsequent to that, information will be presented for the latest three valuations.

## SUPPLEMENTAL INFORMATION

**NON MAJOR GOVERNMENTAL FUNDS**



MADISON PARISH POLICE JURY  
NONMAJOR SPECIAL REVENUE FUNDS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2012

	Rural Development	Criminal Court	E-911	Memorial	Grant Fund	Mosquito Control	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Building Fund	OHSEP	Recreation Board	Road Improvement Escrow	Total
<b>Assets</b>															
Cash and cash equivalents	\$ 2,000	\$ 28,942	\$ 613,801	\$ 3,853	\$11,397	\$14,439	\$83,922	\$40,699	\$ 3,280	\$90,243	\$14,938	\$ 3,850	\$ 6,556	\$ 27,287	\$ 945,207
Investments	-	-	67,953	-	-	-	-	-	-	-	-	-	-	-	67,953
Receivables	-	30,734	322,285	-	-	-	1,843	-	-	-	-	-	-	-	354,862
Interfund Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>2,000</b>	<b>59,676</b>	<b>1,004,039</b>	<b>3,853</b>	<b>11,397</b>	<b>14,439</b>	<b>85,765</b>	<b>40,699</b>	<b>3,280</b>	<b>90,243</b>	<b>14,938</b>	<b>3,850</b>	<b>6,556</b>	<b>27,287</b>	<b>1,388,022</b>
<b>Liabilities and Fund Balances</b>															
<b>Liabilities:</b>															
Accounts, salaries and other payables	-	21,129	1,601	-	14,320	-	500	10,916	-	-	-	-	1,566	-	50,032
Interfund payables	-	158,048	-	-	-	-	-	19,342	-	-	-	-	-	-	177,390
<b>Total Liabilities</b>	<b>-</b>	<b>179,177</b>	<b>1,601</b>	<b>-</b>	<b>14,320</b>	<b>-</b>	<b>500</b>	<b>30,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,566</b>	<b>-</b>	<b>227,422</b>
<b>Fund Balances:</b>															
Restricted	2,000	(119,501)	1,002,438	3,853	(2,923)	14,439	85,265	10,441	3,280	90,243	14,938	3,850	4,990	27,287	1,140,600
<b>Total Fund Balance</b>	<b>2,000</b>	<b>(119,501)</b>	<b>1,002,438</b>	<b>3,853</b>	<b>(2,923)</b>	<b>14,439</b>	<b>85,265</b>	<b>10,441</b>	<b>3,280</b>	<b>90,243</b>	<b>14,938</b>	<b>3,850</b>	<b>4,990</b>	<b>27,287</b>	<b>1,140,600</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,000</b>	<b>\$ 59,676</b>	<b>\$ 1,004,039</b>	<b>\$ 3,853</b>	<b>\$11,397</b>	<b>\$14,439</b>	<b>\$85,765</b>	<b>\$40,699</b>	<b>\$ 3,280</b>	<b>\$90,243</b>	<b>\$14,938</b>	<b>\$ 3,850</b>	<b>\$ 6,556</b>	<b>\$ 27,287</b>	<b>\$1,388,022</b>

MADISON PARISH POLICE JURY  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Rural Development	Criminal Court	E-911	Memorial	Grant Fund	Mosquito Control	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Building Fund	OHSEP	Recreation Board	Road Improvement Escrow	Total
<b>Revenues</b>															
Local sources:															
Ad Valorem taxes	\$ -	\$ -	\$ 315,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,679
Other taxes and penalties	-	-	119,140	-	-	-	-	-	-	-	-	-	-	-	119,140
License and permits	-	-	-	-	-	-	-	-	-	-	7,534	-	-	-	7,534
Intergovernmental revenues:															
Federal funds - federal grants	-	-	4,255	-	159,545	-	-	96,772	-	-	-	-	-	-	260,572
State funds:															
State Revenue Sharing	-	-	-	-	-	-	-	-	-	-	-	56,066	-	-	56,066
Other	-	-	-	1,531	168,335	-	-	-	-	-	-	-	-	-	169,866
Fees, charges, and commissions for services	-	32,924	-	-	-	-	32,708	-	-	-	-	-	-	-	65,632
Fines and forfeitures	-	464,922	-	-	-	-	-	-	-	-	-	-	-	-	464,922
Use of money and property	-	128	5,068	11	18	21	107	52	5	177	20	7	13	132	5,759
Other revenues	-	45,630	905	-	-	-	-	-	-	35,376	-	-	-	-	81,911
<b>Total Revenues</b>	<b>-</b>	<b>543,604</b>	<b>445,047</b>	<b>1,542</b>	<b>327,898</b>	<b>21</b>	<b>32,815</b>	<b>96,824</b>	<b>5</b>	<b>35,553</b>	<b>7,554</b>	<b>56,073</b>	<b>13</b>	<b>132</b>	<b>1,547,081</b>
<b>Expenditures</b>															
Current:															
General government:	-	512,602	-	-	-	-	6,529	-	-	-	-	-	-	-	519,131
Judicial	-	-	-	-	38	-	-	-	-	196	8,515	-	-	-	8,749
Finance and administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	231,054	-	-	40	-	-	-	-	-	38,445	-	-	269,539
Public works	-	-	-	-	117,162	-	-	32,548	-	-	-	-	-	83,971	233,681
Health and welfare	-	-	-	-	14,320	-	-	-	-	-	-	-	-	-	14,320
Culture and recreation	-	-	-	5,975	-	-	-	-	-	-	-	-	7,733	-	13,708
Transportation	-	-	-	-	2,812	-	-	-	-	-	-	-	-	-	2,812
Miscellaneous	-	-	-	-	-	-	-	-	40	-	-	-	-	-	40
Debit Svc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	68,015	-	-	-	-	-	-	-	-	-	68,015
<b>Total Expenditures</b>	<b>-</b>	<b>512,602</b>	<b>231,054</b>	<b>5,975</b>	<b>202,347</b>	<b>40</b>	<b>6,529</b>	<b>32,548</b>	<b>40</b>	<b>196</b>	<b>8,515</b>	<b>38,445</b>	<b>7,733</b>	<b>83,971</b>	<b>1,129,995</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>31,002</b>	<b>213,993</b>	<b>(4,433)</b>	<b>125,551</b>	<b>(19)</b>	<b>26,286</b>	<b>64,276</b>	<b>(35)</b>	<b>35,357</b>	<b>(961)</b>	<b>17,628</b>	<b>(7,720)</b>	<b>(83,839)</b>	<b>417,086</b>
<b>Other Financing Sources (Uses)</b>															
Transfers in	-	-	-	-	12,276	-	-	-	-	-	-	-	-	27,500	39,776
Transfers out	-	-	-	-	(97,348)	-	-	(62,583)	-	-	-	-	-	-	(159,931)
<b>Total Other financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85,072)</b>	<b>-</b>	<b>-</b>	<b>(62,583)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,500</b>	<b>(120,155)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>31,002</b>	<b>213,993</b>	<b>(4,433)</b>	<b>40,479</b>	<b>(19)</b>	<b>26,286</b>	<b>1,693</b>	<b>(35)</b>	<b>35,357</b>	<b>(961)</b>	<b>17,628</b>	<b>(7,720)</b>	<b>(56,339)</b>	<b>296,931</b>
<b>Fund Balances - beginning</b>	<b>2,000</b>	<b>(150,503)</b>	<b>788,445</b>	<b>6,288</b>	<b>(43,402)</b>	<b>14,458</b>	<b>58,979</b>	<b>8,748</b>	<b>3,315</b>	<b>54,886</b>	<b>15,899</b>	<b>(13,778)</b>	<b>12,710</b>	<b>83,626</b>	<b>843,669</b>
<b>Fund Balances - ending</b>	<b>\$ 2,000</b>	<b>\$ (119,501)</b>	<b>\$ 1,002,438</b>	<b>\$ 3,855</b>	<b>\$ (2,923)</b>	<b>\$ 14,439</b>	<b>\$ 85,265</b>	<b>\$ 10,441</b>	<b>\$ 3,280</b>	<b>\$ 90,243</b>	<b>\$ 14,938</b>	<b>\$ 3,850</b>	<b>\$ 4,990</b>	<b>\$ 27,287</b>	<b>1,140,600</b>

MADISON PARISH POLICE JURY

**NONMAJOR SPECIAL REVENUE FUNDS**

**Rural Development** - The Rural Development Fund accounts for revenue designated mainly for economic development purposes provided by the Governor's Office of Rural Development.

**Criminal Court** - The Criminal Court Fund accounts for revenue from fines and forfeitures imposed by the District Attorney and the District Court.

**E-911** - The E-911 Fund accounts for the emergency communications of the Parish which are funded by service charges imposed.

**Memorial** - The Memorial Fund accounts for donations by private sources to the parish library.

**Grant** - The Grant Fund accounts for revenues received from federal and state sources used for various projects.

**Mosquito Control** - The Mosquito Control Fund accounts for revenue from the Arboviral Grant provided by the Department of Public Health to educate citizens on ways to reduce mosquito habitat and to facilitate surveillance and control measures.

**Witness Fees** - The Witness Fees Fund accounts for all witness fee revenue received through the Criminal Court. Witness fees are now required by law to be accounted for in a separate fund.

**FEMA Disaster** - The FEMA Disaster Fund accounts for revenue received from federal sources for disaster relief.

**Emergency Shelter Donations** - The Emergency Shelter Donations Fund accounts for public and private donations to the shelter of hurricane victims and other disaster victims.

**MADISON PARISH POLICE JURY**

**GENERAL**

**COMPENSATION PAID POLICE JURORS.** The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Madison Parish Police Jury members is included in the general administrative expenditures of the general fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

**Schedule of Compensation Paid Police Jurors  
For the Year Ended December 31, 2012**

James J. Griffin, Jr.	\$ 545
Robert D. Fortenberry, President	23,891
Patricia A. Bunchanan	18,764
Henry Tyler, Jr.	436
C.J. Oney	18,764
Stanley Ogden	19,200
Jane G. Sanders	<u>19,200</u>
Total	<u><u>\$ 100,800</u></u>

**OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

**DAVID Q RICHARDSON**  
**CERTIFIED PUBLIC ACCOUNTANT**  
POST OFFICE BOX 891  
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**Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With Government Auditing Standards**

Police Jurors  
Madison Parish Police Jury  
Tallulah, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Madison Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Madison Parish Police Jury basic financial statements, and have issued my report thereon dated August 27, 2013.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Madison Parish Police Jury internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Madison Parish Police Jury internal control. Accordingly, I do not express an opinion on the effectiveness of the Madison Parish Police Jury internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did identify two deficiencies in internal control that I consider to be material weaknesses. These are listed as 12-01 and 12-02 in the schedule of findings and questioned costs.

Police Jurors  
Madison Parish Police Jury  
Tallulah, Louisiana

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Madison Parish Police Jury financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. These are listed as 12-03, 12-04, and 12-05 in the schedule of findings and questioned costs.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tallulah Louisiana  
August 27, 2013

MADISON PARISH POLICE JURY  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012

**Part I - Summary of the Auditor's Results:**

1. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unmodified opinion on the governmental activities, each major fund and the aggregate remaining fund information.
2. There were two (12-01 & 12-02) deficiencies in internal control over financial reporting disclosed in the audit of the financial statements.
3. Three instances (12-03, 12-04, & 12-05) of noncompliance were disclosed in the audit of the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**Part II - Findings related to the financial statements that are required to be reported under *Government Auditing Standard*:**

**12-01 Internal Control**

**Finding:**

Two funds (Library and E-911) are not complying with the internal control requirement that an approved purchase order has to be obtained prior to purchasing supplies or other items. Management in these two funds is ordering supplies and other items without following proper procedures and obtaining approved purchase orders first. This could result in unapproved purchases.

**Recommendation:**

To prevent future occurrences, the Police Jury should immediately require these funds to comply with all internal control procedures.

**Management's Response:**

Management concurs with the finding and will implement these procedures immediately.

**12-02 Employee Work Records**

**Finding:**

The E-911 Director does not submit any type of records to support the hours she worked or any vacation / sick leave taken. These records are necessary to verify that wage payments are correct and that unused vacation and sick leave are accurate.

**Recommendation:**

The same records related to wages, sick leave, and vacation time should be maintained on the E-911 Director that are maintained for all other employees.

**Management's Response:**

Management concurs with the finding and will require these records be maintained in the future.



**MADISON PARISH POLICE JURY  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**12-03 Extra Compensation**

**Finding:**

The E-911 Director is receiving extra compensation from grant proceeds to the Office of Homeland Security and Emergency Preparedness Fund. The administration portion of grants to this fund is paid in salaries to the E-911 Director and the Director of Emergency Preparedness. Employees of government agencies are not allowed to receive any type of bonus, loan, or financial benefit except their wages and related benefits. These payments may be in violation of Louisiana laws and regulations.

**Recommendation:**

The Police Jury should get legal advice to determine if these payments are legal and, if not, what action should be taken.

**Management's Response:**

The Police Jury will obtain a legal opinion on this and will take any action needed.

**12-04 Extra Compensation**

**Finding:**

The laws and regulations of the State of Louisiana do not allow an employee to receive financial benefit other than their salary and related benefits. The E-911 Director works for the Sheriff's office as a dispatcher when needed. At times, this is during normal work hours while she is acting as E-911 Director. This results in her being paid by the Sheriff's office and the E-911 office at the same time.

**Recommendation:**

The Police Jury should obtain an opinion from their legal council and the Attorney General to determine if any laws are being broken.

**Management's Response:**

The Police Jury will obtain a legal opinion on this matter and will take whatever action is recommended.

**12-05 Local Budget Act**

**Finding:**

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. The Police Jury had actual expenditures which exceeded budgeted expenditures greater than five percent in the Health Unit Fund. Expenditures exceeded the budget which was amended in December because the Police Jury did not consider expenditures for the construction of a new facility in the budget. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.

**MADISON PARISH POLICE JURY  
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**Recommendation:**

The Police Jury should monitor the budget closely and amend the budget as necessary in order to comply Local Government Budget Act.

**Management's Response:**

The Police Jury concurs with the findings and will monitor and amend the budget as necessary in the future.

**12-06 Workplace Behavior**

**Findings:**

The E-911 Director has been babysitting a grandchild at the office while working. Some days the Director would have the child with her while she worked. This has to interfere with the performance of her duties and could possibly lead to liability issues if the child is injured at the E-911 office.

**Recommendation:**

This activity should be stopped immediately.

**Management's Response:**

Management concurs with the findings and will stop this activity immediately.

**MADISON PARISH POLICE JURY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

The following is a summary of the status of the prior year findings included in the auditor's report dated June 28, 2012, covering the examination of the financial statements of the Madison Parish Police Jury as of and for the year ended December 31, 2011.

**11-F1**

**Finding:**

The LGBA requires budget amendments when expected actual revenues are 5% less than budgeted revenues, or expected actual expenditures are 5% greater than budgeted expenditures. The Police Jury had one fund in which actual expenditures exceeded budgeted expenditures greater than 5%.

**Status:**

This finding was not resolved by December 31, 2012, and is a repeat finding for the current year.